

SO ORDERED: December 08, 2010.



A handwritten signature in black ink that reads "Basil H. Lorch III".

**Basil H. Lorch III**  
**United States Bankruptcy Judge**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF INDIANA  
EVANSVILLE DIVISION**

IN RE:

EASTERN LIVESTOCK CO., LLC,  
  
Alleged Debtor.

Case No. 10-93904-BHL-11  
Chapter 11

**ORDER GRANTING EMERGENCY MOTION BY STATE COURT RECEIVER FOR  
ORDER APPROVING PROTOCOL FOR DISPOSITION OF PROCEEDS OF CATTLE  
SALES**

This matter came before the Court on the Motion of the State Court-Appointed Receiver, Elizabeth Lynch ("the Receiver") for an Order approving protocol for disposition of proceeds of cattle sales. The Court finds the Motion to be well-taken, and, accordingly, it is hereby GRANTED.

The Court finds that the creditors of Eastern Livestock Co., LLC ("Eastern Livestock" or "Alleged Debtor"), and the cattle industry as a whole, would benefit from an Order governing the disposition of certain sale proceeds when the Receiver liquidates Eastern Livestock cattle inventory.

Accordingly, the Court hereby ORDERS that:

1. The Receiver is specifically authorized to (a) continue to review documents and other information regarding assets and potential assets of the Alleged Debtor, (b) continue to undergo efforts to identify cattle belonging to the Alleged Debtor, and (c) liquidate those specific cattle in the Alleged Debtor's inventory as identified in the document attached hereto as Exhibit A.

2. With regards to the liquidation of the certain cattle identified in Exhibit A, the Receiver shall deduct from the gross sale proceeds relating to a particular sale at a livestock market the following costs of sale (collectively, the "Sale Costs Deduction Amount"): any applicable commission; cattle feed/yardage at the market; federal and state beef check off fee; livestock insurance; veterinarian inspection fees; expenses necessary to maintain the health and reasonable market value of the cattle; any freight or transportation costs for hauling livestock to the market, if applicable; and any reasonable feed/veterinary charges for the care of the livestock (typically referred to as agister fees) (collectively, the "Sales Costs"). All rights and claims of persons or entities for Sales Costs relating to a particular sale shall attach to the Sales Cost Deduction Amount for such Sale and the Alleged Debtor's estate shall have no continuing right or claim in and to the Sales Costs Deduction Amount for such sale.

3. The proceeds of any particular sale in excess of the Sales Cost Deduction Amount shall be deposited into the Receiver's bank account, with all liens, encumbrances, claims, or interests to attach to the proceeds of the sale, and with any distribution to occur pursuant to further order of this Court.

4. The foregoing sale process shall not be considered to be or construed as the Receiver engaging in the ongoing business operations of Eastern Livestock. Rather, the foregoing describes

the process by which the Receiver shall liquidate Eastern Livestock's inventory so as to maximize the potential recovery to Eastern Livestock's creditors.

IT IS SO ORDERED.

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**EXHIBIT A**

Location	Yard Lot #	Number of Head (Current)	S/H	Pen
McKinley Winters Livestock/Pawnee KS	1260	62	S	909
McKinley Winters Livestock/Pawnee KS	1244	141	S	415
McKinley Winters Livestock/Pawnee KS	1311	32	H	BP10
McKinley Winters Livestock/Pawnee KS	1232	193	S	929
McKinley Winters Livestock/Pawnee KS	1232	193	S	929
McKinley Winters Livestock/Pawnee KS	1304	141	H	208
McKinley Winters Livestock/Pawnee KS	1307	165	H	411
McKinley Winters Livestock/Pawnee KS	1302	112	H	113
McKinley Winters Livestock/Pawnee KS	1308	91	H	413
McKinley Winters Livestock/Pawnee KS	1310	44	H	954
Western Kentucky Branch of Eastern Livestock Co.	Grazing on grass	260	Mixed	N/A
JIM WOODS		93	S	
JIM WOODS		98	S	
JIM WOODS		94	S	
JIM WOODS		107		